

### **REMARKS**

This document is being filed in response to the Office Action dated September 29, 2006 ("Office Action"). Claims 1-31 are currently pending and stand rejected in the present application and new independent claim 32 is added by this amendment. Applicant notes that, as originally submitted the claims were incorrectly numbered and inadvertently omitted number 11. Thus, claims 12-32 should have been numbered 11-31. Through this amendment, Applicant corrects the numbering error by renumbering claims 12-32 as claims 11-31 respectively. In the Office Action, the Examiner used the correct numbering scheme, namely claims 1-31 (as currently amended), and that is the numbering scheme used in this Amendment as well. Of the pending claims, claims 1, 18, 19, 25 and 27 are independent. Applicant respectfully requests reconsideration in light of the comments set forth herein, and respectfully maintain that this application is in condition for allowance.

### **Rejection Under 35 U.S.C. §103(a)**

Claims 1-31, all the claims pending in the application, stand rejected under 35 U.S.C. §103(a) as being unpatentable over U.S. Publication No. 2002/0055901 to Gianakouros et al. ("Gianakouros") in view of U.S. Patent No. 6,173,270 to Cristofich et al. ("Cristofich"). Applicant respectfully asserts that Gianakouros and Cristofich, taken alone or in combination, fail to teach or suggest the invention, as claimed.

Claim 1 recites a system for effecting straight-through-processing of trades executed between a customer and a dealer. The system comprises a trade execution system capable of generating a trade order and executing a block trade between a customer and a dealer. The

system further comprises an account database for storing account information records that are associated with one or more settlement instruction sets. The trade execution system is further operative with programming to store a block trade record including details of the block trade executed by the customer and the dealer; generate an allocated trade record for each of the account allocations received from the customer computer system, each of the allocated trade records being associated with the block trade record; receive an indication from the dealer computer system that the allocated trade records are confirmed; enrich the allocated trade records by incorporating one of the settlement instruction sets into each allocated trade record; and transmit each of the enriched allocated trade records to an appropriate clearing institution. Applicant respectfully submits that Gianakouros does not teach at least the association of settlement instructions with account information as claimed. Thus, the system described by Gianakouros is also incapable of enriching trade records by incorporating settlement instructions into the allocated trade records, as claimed.

Specifically, Gianakouros describes a system and method for trading financial instruments in which “trade alerts” are received. The “trade alerts” in Gianakouros are nothing more than information from a person or entity desiring to enter a trade for a certain financial instrument at a certain price level. (See Abstract). The Gianakouros system evaluates the trade alerts for possible trading opportunities by matching parties based on the trade alerts. In other words, if one party desires to buy gold at \$650 per ounce and issues a trade alert for the same, the Gianakouros system will attempt to match a seller of gold at the same or similar price level. The Gianakouros system then would operate to receive approvals to proceed with the trading

opportunity and execute the order generated by the approval. Gianakouros, thus, does not teach or suggest the type of system or method for handling or transmitting the information or records that allow for the clearing and settlement of trades executed on its system disclosed and claimed by the present application. Therefore, even if Gianakouros is combined with Cristofich, as applied by the Examiner each of the elements of the claims of the subject application are not taught or suggested by the cited references. After the execution of the trade, involvement of the Gianakouros method and system is complete.

To the contrary, the present invention provides for the processing and transmission of enriched trade details that allow for the clearing and settlement of trades in addition to the execution process. In particular, once a trade is executed, as is disclosed in paragraph [0024] of the present application, the trade details must be cleared and settled. In the present invention, unlike Gianakouros and all of the other cited prior art systems, the system as claimed in the present application handles not only the execution of the trade but also the processing, transmission and management of records related to the trade which are used to settle and clear the trade. As claimed, the system in claim 1 includes “an account database for storing one or more account information records that are accessible by the trade execution system, the account information being associated with one or more settlement instruction sets.” It is this association that is used further in the claim to “enrich the allocated trade records by incorporating one of the settlement instruction sets into each of the allocated trade records.” Thus, the stored settlement instructions, as affirmatively claimed, are used to automatically enrich trade records with associated settlement instructions, features not taught or suggested by Gianakouros.

Additionally, claim 1 recites that the trade order generated by the trade execution system includes “a pre-allocation of customer accounts”. Gianakouros does not anywhere teach the allocation of customer accounts and thus can not anticipate this element of claim 1 either. While claim 1 addresses pre-trade allocation of the customer account information, post-trade allocation can also be carried out by the present invention as discussed in the specification. Regardless thereof, neither pre-trade or post-trade allocation are disclosed by Gianakouros and for this additional reason, Gianakouros cannot anticipate claim 1.

In addition to the differences highlighted above, in the Office Action, the Examiner concedes that Gianakouros fails to teach or suggest the use of a trade record. Rather, the Examiner relies on Cristofich for that feature. The Applicant respectfully submits that Cristofich does not disclose the trade record as it is claimed in the present application. Rather, in Cristofich, the record that is discussed in Column 6, Lines 8-21 and Figures 1-2 merely refers to an entry for a client or participant such as a record/database entry of client particulars and a typical database that is set up for such a client or participant. This teaching is wholly irrelevant to the trade records as claimed in the present application, because trade records, as claimed in the present application, are records of trades enriched with a settlement instruction set. Thus, even if the Examiner does not fully agree that Gianakouros is disparate from the claims in the present invention, Cristofich fails to disclose the missing “trade record” element and Applicant respectfully requests that the rejection be withdrawn.

Independent claim 18 (formerly numbered as claim 19) is a system claim that sets forth a system operative with programming to perform several claimed functions directed to process trades, generating trade tickets, enriching the trade tickets with settlement instructions, generating an electronic confirmation and presenting the electronic confirmation to the customer and dealer. Like claim 1, claim 18, includes the above discussed elements concerning the use of settlement instructions and the enrichment of a trade ticket with such settlement instructions that are stored in the database. Therefore, based on the above arguments, Claim 19 is also patentable over Gianakouros and Cristofich taken alone or in combination.

Independent Claim 19 (formerly numbered as claim 20) recites a method of electronically presenting a dealer axe to one or more selected customers, the method comprises: initiating an axe generation module; inputting axe details into an interface provided by the axe generation module; generating an electronic axe trade ticket wherein the axe trade ticket is actionable by the customers for a quantity up to a total axe quantity or only for the total axe quantity; transmitting the electronic axe trade ticket to the one or more selected customers; and receiving an indication from at least one of the selected customers that the axe details in the electronic axe are acceptable. Applicant respectfully submits that Gianakouros does not teach or suggest at least the initiation of an axe generation module and generating an electronic axe trade ticket that is actionable.

The Examiner relies on the message window disclosed in paragraph [0092] of Gianakouros as corresponding to an axe as claimed. The applicant respectfully submits that the

message window of Gianakouros does not teach or suggest the axe as described in the specification and claimed in the present application. In the present application, as set forth in paragraph [0021], messages from a dealer to a customer regarding a potential trade is commonly referred to as an axe. Claim 19 is directed to a method of electronically presenting a dealer axe, which can result in a trade. In contrast, the message window disclosed in Gianakouros relates to the display of "important System Messages." Additionally Fig. 5 of Gianakouros gives examples of such messages to include "Frozen: loading state" and "You have logged in as User FID". These messages are not messages from a dealer to a customer related to the terms of a potential trade and that results in the generation of an actionable axe trade ticket. Rather, these are system messages regarding the use of the system and not related to the trade or trade ticket. Thus, Applicant respectfully submits that Claim 19 is patentable over Gianakouros.

The Examiner does not specifically address Independent Claims 25 or 27 (formerly numbered as claim 26, and 28) and rather rejects those independent claims by reasoning that because Gianakouros teaches a method as claimed in Claims 1 and 19, the rationale applied in the rejection of Claims 1 and 19 applies thereto. Applicant respectfully submits that Claims 25 and 27 are independent method claims that are not in any way dependent on or reliant on Claims 1 and 19 for allowance. Regardless thereof, Applicant respectfully argues that based on the above distinctions, Claim 25 and 27 should be allowable as well.

Similar to claim 1, Claims 25 and 27 concern various aspects of the settlement of trades as further set out in the subject claims, which are not present in Gianakouros or any of the other

cited prior art systems. Specifically, the preamble of claim 25 reads, “incorporating a settlement instruction set from an account information record” and further claims, “determining the appropriate settlement instruction using the first indicia.” Similarly, claim 27 specifies “comparing information stored in the plurality of settlement instruction sets with a first information database,” as well as “determining whether an error in one or more of the settlement instruction sets exists.” The settlement and clearing of trades is not taught or suggested by the prior art cited by the Examiner and, therefore, claims 25 and 27 should be allowable as well.

In light of the above, the dependent claims 2-17, 20-24, 26, 28-31, which depend respectively from independent claims 1, 19, 25 and 27 are in condition for allowance as well.

Applicant respectfully submits that all outstanding objections and rejections have been addressed and are now either overcome or moot and submit that all of the claims remaining in the application are in condition for allowance. Favorable consideration and prompt allowance of this application is respectfully requested. In the event that there are any questions, or should additional information be required, please do not hesitate to contact Applicant’s attorney at the number listed below.

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Other than the fee for extending the time to respond to the outstanding Office Action, and the fee for the new claim, no additional fees are deemed necessary in connection with the filing of this Response. However, if any other fees are now or hereafter required in connection with this response or any other submission, the Examiner is hereby authorized to charge the amount of such fee(s) to Deposit Account No. 19-4709.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Jeffrey Mann', is written over a horizontal line.

Jeffrey Mann, Reg. No. 51,993 for:  
Steven B. Pokotilow  
Registration No. 26,405  
Attorney for Applicant  
STROOCK & STROOCK & LAVAN, LLP  
180 Maiden Lane  
New York, New York 10038-4982  
(212) 806-5400